Charge from Secretaries Brown and Robinson

Offer ideas and suggestions on incentives and related performance measures:

- Improved retention and graduation
- Increased STEM-H degrees
- Instructional technology
- Year-round utilization
- Research
- Student Financial Aid
- Accelerated Degree Completion

Incentive and Initiative Funding

A Funding Context

Base Operations	Initiatives	Incentive Funding	Enrollment Growth
	•From Six-Year Plans •Unique to institution •Research •Year-round use of facilities •Course redesign •Resource sharing •On-line courses	•Bachelor and associate degree production •STEM-H production •Accelerated-time-to-degree •Progression	•STEM-H enhancement
	Enhance Quality	Enhance Production	

NCHEMS

Emerging Best Practices in Incentives/Performance Funding

- Metrics that drive funding tied to state goals in Virginia.
- Different metrics for different types of institutions – Four-year, two-year/community colleges
  - Separate metrics
  - Separate performance measures
  - Separate funding pools
- A limited number of metrics.
- Use increases in numbers rather than rates in most cases
- Provide encouragement for success with at-risk populations

Enrollment Growth

Eligibility

The average six-year graduation rate for the previous three years is 70 percent or higher - **or** - the most recent three year average must be equal to or greater than the three year average calculated in the previous year.

- Per-student funding allocated to projected in-state student enrollment growth by year.
  - $2,650 per in-state student at four-year institutions
  - $1,650 per in-state student at two-year institutions
- STEM-H bonus of 50 percent based on actual percentage of total degrees granted
  - $1,325 for four-year institutions
  - $825 for two-year institutions
- Fifty-percent of incentive allocated July 1, adjusted after fall census for actual enrollments.
- Incentive amount adjusted in future years to match TAG.

Degree Growth Incentive

Premise

Keep incentives and measures simple, straightforward, limited in number and focused on Commonwealth higher education goals.

Driven by a point system, with the value of a point determined by the available funding pool. (Total # of points earned ÷ dollars in funding pool = Dollar value per point)

Weighted factors receiving points:

- (5) Bachelor's degrees awarded, three year average.
- (3) Bachelor's degrees awarded in STEM-H fields, three year average.
- (2) Bachelor's degrees awarded in four years or less, three year average.
- ( ) Bachelor's degrees awarded to under-represented students, three year average.
    - (1) Students of color
    - (1) Pell grant students
    - (1) Over 25 at entry
- (1) Each advanced degree awarded in STEM-H fields.

Efficiency Factor: Measures an institution's six-year graduation rate, as well as its cost per degree, against its salary peer group (publics only). Performance determines whether accumulated incentive points are increased or decreased by 10 percent or unchanged.

Degree Progression Incentive

Premise

Designed to encourage the timely progression to degree of under-represented students.

Weighted factors receiving points:

(1) One point assigned for each under-represented student who progresses to the next level in the measurement year.

- Students of color
- Pell grant students
- Over 25 at entry
- First generation students?

Additional STEM-H Incentives

- Examine student financial assistance policies to determine whether State provided aid might be used to support STEM-H students.
  - Tuition waivers
  - Aid/scholarships
  - Loan debt forgiveness
- Governor’s Internship Grant Program
  - The best motivator is the prospect of a job.
  - Summer internships in sophomore and junior year.
  - Commonwealth and employers share cost of internships equally.
  - Administration expense assumed by participating colleges and universities.

Performance Measures

- Incremental annual growth in enrolled Virginian undergraduates.
- Incremental annual growth in bachelor’s degrees awarded.
- Incremental annual growth in STEM-H degrees granted by level.
- Incremental annual growth in the number of under-represented students awarded bachelor’s degrees.
- Incremental annual growth in the number of bachelor’s degrees awarded in four years or less.
- Incremental annual growth in the number of advanced STEM-H degrees granted.
- Incremental annual growth in the number of institutions exceeding peer performance in six-year graduation rate and public revenues per degree weighted by STEM-H earnings.
- Incremental annual growth in the total number of under-represented students who progress from one academic level to the next.

Modifications Since 9/28 AC Meeting

- Three year averages for degree attainment and progression are now weighted such that figures for 2009-10 are multiplied by a factor of three; 2008-09 by a factor of two, and 2007-08 by a factor of one. This adjustment still recognizes earlier production, but emphasizes the most recent performance.

- The ***efficiency measure*** has been simplified to reflect total public revenues (unrestricted state and student tuition and fees) per degree and six-year graduation rates compared to each institution's state-approved (salary) peer institution average. The adjustment for STEM-H earnings has been deleted.

Modifications Since 9/28 AC Meeting

- Analysis is in process for the two-year colleges with final suggestions anticipated within the week.

- Tod Massa has assembled a data definition document and we have established a team of institutional representatives to work with Tod to insure that we have appropriate and accurate data sets driving the proposed incentives and enrollment growth funding pools.